



DEPARTMENT OF COMMERCE

International Trade Administration

[A-201-844]

Steel Concrete Reinforcing Bar from Mexico: Preliminary Results of Antidumping Duty Administrative Review; 2019-2020

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (Commerce) preliminarily determines that Deacero S.A.P.I. de C.V. (Deacero) did not make sales of subject merchandise in the United States at prices below normal value during the November 1, 2019, through October 31, 2020, period of review (POR). Additionally, Commerce has preliminarily assigned Grupo Simec an antidumping duty margin based on the application of adverse facts available. We invite interested parties to comment on these preliminary results.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: David Lindgren or Kyle Clahane, AD/CVD Operations, Office III, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482-1671 or (202) 482-5449.

SUPPLEMENTARY INFORMATION:

Background

On November 6, 2014, Commerce published the antidumping duty order on steel concrete reinforcing bar (rebar) from Mexico in the *Federal Register*.¹ On January 6, 2021, pursuant to section 751(a)(1) of the Tariff Act of 1930, as amended (the Act), Commerce

¹ See *Steel Concrete Reinforcing Bar from Mexico: Antidumping Duty Order*, 79 FR 65925 (November 6, 2014) (Order).

initiated an administrative review of the *Order*.² On July 2, 2021, we extended the deadline for the preliminary results to November 30, 2021.³

Commerce initiated this administrative review covering the following companies: Aceros Especiales Simec Tlaxcala; Compania Siderurgica del Pacifico S.A. de C.V.; Deacero; Fundiciones de Acero Estructurales, S.A. de C.V.; Grupo Acerero S.A. de C.V.; Grupo Chant, S.A.P.I. de C.V.; Grupo Simec; Operadora de Perfiles Sigosa, S.A. de C.V.; Orge S.A. de C.V.; Perfiles Comerciales Sigosa, S.A. de C.V.; RRLC S.A.P.I. de C.V.; Sidertul S.A. de C.V.; Siderurgicos Noroeste, S.A. de C.V.; Siderurgica del Occidente y Pacifico S.A. de C.V.; Simec International 6 S.A. de C.V.; Simec International 7, S.A. de C.V.; Simec International 9 S.A. de C.V.; and Simec International, S.A. de C.V. On February 8, 2021, we limited the number of respondents selected for individual examination in this administrative review to Deacero and Grupo Simec.⁴ We did not select the remaining companies for individual examination, and these companies remain subject to this administrative review.⁵

Scope of the *Order*

The product covered by the *Order* is steel concrete reinforcing bar from Mexico. For a complete description of the scope, *see* the Preliminary Decision Memorandum.⁶

² See *Initiation of Antidumping Duty and Countervailing Duty Administrative Reviews*, 86 FR 511 (January 6, 2021) (*Initiation Notice*).

³ See Memorandum, “Extension of Deadline for Preliminary Results,” dated July 2, 2021.

⁴ See Memorandum, “2019-2020 Antidumping Duty Administrative Review of Steel Concrete Reinforcing Bar from Mexico: Respondent Selection,” dated February 8, 2021.

⁵ Commerce has previously collapsed 15 of the 18 firms listed in the *Initiation Notice* (i.e., Aceros Especiales Simec Tlaxcala; Compania Siderurgica del Pacifico S.A. de C.V.; Fundiciones de Acero Estructurales, S.A. de C.V.; Grupo Chant, S.A.P.I. de C.V.; Grupo Simec; Operadora de Perfiles Sigosa, S.A. de C.V.; Orge S.A. de C.V.; Perfiles Comerciales Sigosa, S.A. de C.V.; RRLC S.A.P.I. de C.V.; Siderurgicos Noroeste, S.A. de C.V.; Siderurgica del Occidente y Pacifico S.A. de C.V.; Simec International, S.A. de C.V.; Simec International 6 S.A. de C.V.; Simec International 7, S.A. de C.V.; and Simec International 9 S.A. de C.V.) into the single entity “Grupo Simec.” See, e.g., *Steel Concrete Reinforcing Bar from Mexico: Final Results of Antidumping Duty Administrative Review and Final Determination of No Shipments; 2018-2019*, 86 FR 50527 (September 9, 2021) (*2018-2019 AR Mexico Rebar Final*).

⁶ See Memorandum, “Decision Memorandum for the Preliminary Results of the Administrative Review on the Antidumping Duty Order of Steel Concrete Reinforcing Bar from Mexico; 2019-2020,” dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

Methodology

Commerce is conducting this review in accordance with section 751(a)(2) of the Act. Constructed export price was calculated in accordance with section 772 of the Act. Normal value was calculated in accordance with section 773 of the Act. For a full description of the methodology underlying our preliminary results, *see* the Preliminary Decision Memorandum. The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>. A list of topics discussed in the Preliminary Decision Memorandum is included as an appendix to this notice. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <https://access.trade.gov/public/FRNoticesListLayout.aspx>.

Application of Facts Available with Adverse Inferences

Pursuant to section 776(a) of the Act, Commerce is preliminarily relying upon facts otherwise available to determine a weighted-average dumping margin for Grupo Simec in this review. Commerce preliminarily finds that necessary information is not available on the record, and that Grupo Simec withheld information requested by Commerce, failed to provide the requested information in the form and manner requested, and significantly impeded the proceeding, warranting a determination on the basis of the facts available under section 776(a) of the Act. Further, Commerce preliminarily determines that Grupo Simec failed to cooperate to the best of its ability, and thus, Commerce is applying facts available with adverse inferences (AFA) to Grupo Simec, in accordance with section 776(b) of the Act. For a full description of the methodology underlying our conclusions regarding the application of AFA, *see* the Preliminary Decision Memorandum.

Rate for Non-Selected Companies

The statute and Commerce's regulations do not identify the dumping margin to apply to respondents not selected for individual examination when Commerce limits its examination in an

administrative review pursuant to section 777A(c)(2) of the Act. Generally, Commerce looks to section 735(c)(5) of the Act, which provides instructions for calculating the all-others rate in an investigation, for guidance when determining the dumping margin for respondents that are not individually examined in an administrative review. Section 735(c)(5)(A) of the Act states that the all-others rate should be calculated by averaging the weighted-average dumping margins for individually-examined respondents, excluding dumping margins that are zero, *de minimis*, or based entirely on facts available. Where the dumping margins for individually examined respondents are all zero, *de minimis*, or based entirely on facts available, section 735(c)(5)(B) of the Act provides that Commerce may use “any reasonable method to establish the estimated all-others rate for exporters and producers not individually investigated, including averaging the estimated weighted average dumping margins determined for the exporters and producers individually investigated.” We have preliminarily calculated a zero percent dumping margin for Deacero and we have preliminarily assigned Grupo Simec a dumping margin of 66.70 percent based entirely on facts available with an adverse inference. Therefore, in accordance with section 735(c)(5)(B) of the Act, we are preliminarily applying to the two companies not selected for individual examination a rate of 33.35 percent, which is an average of the zero percent rate calculated for Deacero and the 66.70 percent AFA rate assigned to Grupo Simec. For additional discussion, *see* the Preliminary Decision Memorandum.

Preliminary Results of the Review

We preliminarily determine the following weighted-average dumping margins exist for the POR:

Producer and/or Exporter	Weighted-Average Dumping Margin (percent)
Deacero S.A.P.I de C.V.	0.00
Grupo Simec (Aceros Especiales Simec Tlaxcala, S.A. de C.V.; Compania Siderurgica del Pacifico S.A. de C.V.; Fundiciones de Acero Estructurales, S.A. de C.V.; Grupo Chant S.A.P.I. de C.V.; Operadora de Perfiles Sigosa, S.A. de C.V.; Orge S.A. de C.V.; Perfiles Comerciales Sigosa, S.A. de C.V.; RRLC S.A.P.I. de C.V.; Siderúrgicos Noroeste, S.A. de C.V.; Siderurgica del Occidente y Pacifico S.A. de C.V.;	66.70

Simec International, S.A. de C.V.; Simec International 6 S.A. de C.V.; Simec International 7 S.A. de C.V.; and Simec International 9 S.A. de C.V.) ⁷	
Grupo Acerero S.A. de C.V.	33.35
Sidertul S.A. de C.V.	33.35

Disclosure and Public Comment

We intend to disclose the calculations performed in these preliminary results to parties in this proceeding within five days of the date of publication of this notice.⁸ A timeline for the submission of case briefs and written comments will be provided to interested parties at a later date. Rebuttal briefs, limited to issues raised in the case briefs, may be filed no later than seven days after the date for filing case briefs.⁹ Parties who submit case briefs or rebuttal briefs in this proceeding are encouraged to submit with each argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.¹⁰ Case and rebuttal briefs should be filed using ACCESS¹¹ and must be served on interested parties.¹² Executive Summaries should be limited to five pages total, including footnotes.

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing must submit a written request to the Assistant Secretary for Enforcement and Compliance, filed electronically via Commerce's electric records system, ACCESS. An electronically filed request must be received successfully in its entirety by 5:00 pm Eastern Time within 30 days after the date of publication of this notice.¹³ Requests should contain: (1) the party's name, address, and

⁷ Commerce has previously collapsed the following entities into a single entity: Grupo Simec; Aceros Especiales Simec Tlaxcala, S.A. de C.V.; Compania Siderurgica del Pacifico S.A. de C.V.; Fundiciones de Acero Estructurales, S.A. de C.V.; Grupo Chant S.A.P.I. de C.V.; Operadora de Perfiles Sigosa, S.A. de C.V.; Orge S.A. de C.V.; Perfiles Comerciales Sigosa, S.A. de C.V.; RRLC S.A.P.I. de C.V.; Siderúrgicos Noroeste, S.A. de C.V.; Siderurgica del Occidente y Pacifico S.A. de C.V.; Simec International 6 S.A. de C.V.; Simec International, S.A. de C.V.; Simec International 7 S.A. de C.V.; and, Simec International 9 S.A. de C.V. See, e.g., 2018-2019 AR Mexico Rebar Final, 86 FR at 50528.

⁸ See 19 CFR 351.224(b).

⁹ See 19 CFR 351.309(d); see also *Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19*, 85 FR 17006, 17007 (March 26, 2020) ("To provide adequate time for release of case briefs via ACCESS, E&C intends to schedule the due date for all rebuttal briefs to be 7 days after case briefs are filed (while these modifications remain in effect)"); and *Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19; Extension of Effective Period*, 85 FR 41363 (July 10, 2020).

¹⁰ See 19 CFR 351.309(c)(2) and (d)(2).

¹¹ See generally 19 CFR 351.303.

¹² See 19 CFR 351.303(f).

¹³ See 19 CFR 351.310(c).

telephone number; (2) the number of participants; and (3) a list of issues to be discussed. If a request for a hearing is made, Commerce intends to hold the hearing at a time and date to be determined.¹⁴ Parties should confirm by telephone the date, time, and location of the hearing two days before the scheduled date.

Commerce intends to issue the final results of this administrative review, including the results of our analysis of the issues raised in any written briefs, no later than 120 days after the date of publication of this notice, unless extended.¹⁵

Verification

As provided in section 782(i)(1) of the Act, Commerce intends to verify the information relied upon in making its final determination. Normally, Commerce verifies information using standard procedures, including an on-site examination of original accounting, financial, and sales documentation. However, due to current travel restrictions in response to the global COVID-19 pandemic, Commerce is unable to conduct on-site verification of the information relied upon for its final results of this administrative review. Accordingly, we intend to take additional steps in lieu of on-site verification to verify the information. Commerce will notify interested parties of any additional documentation or information required.

Assessment Rate

Upon completion of the administrative review, Commerce shall determine, and CBP shall assess, antidumping duties on all appropriate entries. If the weighted-average dumping margin for Deacero is not zero or *de minimis* (*i.e.*, less than 0.5 percent) in the final results of this review, we will calculate importer-specific *ad valorem* assessment rates for the merchandise based on the ratio of the total amount of dumping calculated for the examined sales made during the POR to each importer and the total entered value of those same sales, in accordance with 19 CFR 351.212(b)(1). Where an importer-specific *ad valorem* assessment rate is zero or *de*

¹⁴ See 19 CFR 351.310(d).

¹⁵ See section 751(a)(3)(A) of the Act; and 19 CFR 351.213(h).

minimis in the final results of review, we will instruct CBP to liquidate the appropriate entries without regard to antidumping duties, in accordance with 19 CFR 351.106(c)(2). If a respondent's weighted-average dumping margin is zero or *de minimis* in the final results of review, we will instruct CBP not to assess duties on any of its entries in accordance with the *Final Modification for Reviews*, i.e., "{w}here the weighted-average margin of dumping for the exporter is determined to be zero or *de minimis*, no antidumping duties will be assessed."¹⁶ For entries of subject merchandise during the POR produced by Deacero for which the producer did not know its merchandise was destined for the United States, we will instruct CBP to liquidate unreviewed entries at the all-others rate if there is no rate for the intermediate company (or companies) involved in the transaction.¹⁷

Should we continue to apply facts available with an adverse inference to Grupo Simec in the final results, we will instruct CBP to apply an assessment rate equal to the dumping margin of 66.70 percent, as indicated above, to all entries produced and/or exported by Grupo Simec. The assessment rate for antidumping duties for each of the companies not selected for individual examination will be equal to the weighted-average dumping margin identified in the final results of review. Commerce intends to issue assessment instructions to CBP no earlier than 41 days after the date of publication of the final results of this review in the *Federal Register*, in accordance with 19 CFR 356.8(a).

Cash Deposit Requirements

The following cash deposit requirements will be effective upon publication of the final results of this administrative review for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date of the final results of this administrative review, as provided by section 751(a)(2)(C) of the Act: (1) the cash

¹⁶ See *Antidumping Proceedings: Calculation of the Weighted-Average Dumping Margin and Assessment Rate in Certain Antidumping Proceedings; Final Modification*, 77 FR 8101, 8102 (February 14, 2012) (*Final Modification for Reviews*).

¹⁷ See *Antidumping and Countervailing Duty Proceedings: Assessment of Antidumping Duties*, 68 FR 23954 (May 6, 2003).

deposit rate for each company listed above will be that established in the final results of this administrative review, except if the rate is less than 0.50 percent, and therefore *de minimis* within the meaning of 19 CFR 351.106(c)(1), in which case the cash deposit rate will be zero; (2) for previously reviewed or investigated companies not listed above, the cash deposit rate will continue to be the company-specific rate published for the most recently completed segment of this proceeding in which the company participated; (3) if the exporter is not a firm covered in this review, a prior review, or in the investigation but the producer is, the cash deposit rate will be the rate established for the most recently completed segment of this proceeding for the producer of the merchandise; and (4) the cash deposit rate for all other producers or exporters will continue to be the all-others rate of 20.58 percent, the rate established in the investigation of this proceeding.¹⁸ These cash deposit requirements, when imposed, shall remain in effect until further notice.

Notification to Importers

This notice serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in Commerce's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

¹⁸ See *Steel Concrete Reinforcing Bar from Mexico: Final Determination of Sales at Less Than Fair Value and Final Affirmative Determination of Critical Circumstances*, 79 FR 54967 (September 15, 2014).

Notification to Interested Parties

We are issuing and publishing these preliminary results in accordance with sections 751(a)(1) and 777(i) of the Act, and 19 CFR 351.213(h)(1).

Dated: November 29, 2021.

Ryan Majerus,
*Deputy Assistant Secretary
for Policy and Negotiations,
performing the non-exclusive functions and duties of the
Assistant Secretary for Enforcement and Compliance.*

Appendix

List of Topics Discussed in the Preliminary Decision Memorandum

- I. Summary
- II. Background
- III. Scope of the Order
- IV. Application of Facts Available and Use of Adverse Inferences
- V. Margin for Companies Not Selected for Individual Examination
- VI. Discussion of the Methodology
- VII. Recommendation

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